



Prudential

Prudential Retirement

FILED Wilkes-Barre, PA.
September 8, 2020
Clerk, U.S. Bankruptcy Court

The Prudential Insurance Company of America
30 Scranton Office Park, Scranton PA 18507-1789

September 1, 2020

Mas Rosenn U.S. Courthouse
197 South Main Street
Wilkes-Barre, PA 18701

RECEIVED
Wilkes Barre, PA

SEP - 8 2020

Prudential reference:
MTA 401(k) & 457
William J. Daniels

Court reference: William J. Daniels
Case no.: 5:20-bk-02530-RNO
**Clerk,
US Bankruptcy Court**

Dear Sir or Madam:

We have received the enclosed Bankruptcy Notice. The referenced debtor is a participant in a retirement plan or program who has an outstanding loan from the plan. The plan is administered with the assistance of The Prudential Insurance Company of America, but Prudential is not the plan administrator or other fiduciary with discretion as to plan operations. We understand that the debtors' plan or program interest may be exempt from inclusion in the debtor's bankruptcy estate and that the debt may not be dischargeable in bankruptcy.

The debt is fully secured by the participant's account balance in the plan. The plan would not expect to participate in partial payments to unsecured creditors under a court-approved plan of payment under Chapter 13 or to be affected by any discharge of debts or liquidation of assets under Chapter 7. Accordingly, we have not filled out the Proof of Claim form. *However*, the court, any trustee in bankruptcy and the debtor should be aware that if the current debt repayment schedule is not met for *any* reason, the entire outstanding loan balance will be in default. If payments are not reinstated within the prescribed grace period, the defaulted loan amount will be reported to the IRS as a deemed distribution to the debtor/participant, taxable to the participant in the year of default in compliance with Internal Revenue Code §72(p). The amount of the defaulted loan will be offset against the plan account that secures it when the account becomes distributable to the debtor/participant.

No further action will be taken at this time, but distributions will be restricted until we are informed of the resolution of this bankruptcy case. We will further expect the debtor to seek legal counsel concerning the availability of bankruptcy and exemptions exclusions for plan benefits under Federal, state and local law.

If you have any questions, please contact me.

Sincerely,

Megan Stauder
Relationship Specialist

cc: William J. Daniels
Vincent Rubino
Kim Russell
Charles J. Dehart III

The Prudential Insurance Company of America